



City of Nashua
Community Development Division, Urban Programs
City Hall, 229 Main Street, PO Box 2019
Nashua, New Hampshire 03061-2019
www.nashuanh.com

Community Development	589-3095
Planning and Zoning	589-3090
Building Safety	589-3080
Code Enforcement	589-3100
Urban Programs	589-3085
Conservation Commission	589-3105
FAX	589-3398

**Application for
Community Housing Development Organization (CHDO) Certification**

Organization Name: _____

Address: _____

City: _____ **State:** _____ **Zip:** _____ **Phone:** () _____ **Fax:** () _____

Email: _____ **Internet address:** _____

Executive Director: _____

Contact Person (If different from above): _____

Address: _____

City: _____ **State:** _____ **Zip:** _____ **Phone:** () _____ **Fax:** () _____

Date of Incorporation: _____

Tax ID Number: _____

IRS Tax Status: *(Please check appropriate box)*

501(c)(3) Received Pending

501(c)(4) Received Pending

Other: _____

Note: If all requirements of 24 CFR Section 92.2 are met, the Applicant will be certified as a CHDO by the Urban Programs Department (UPD) and be eligible to request CHDO Set-Aside HOME funds for eligible projects. Certification must be updated annually. The UPD will notify the CHDO of required annual documentation.

The information contained in the following checklist refers to the definition of a Community Housing Development Organization (CHDO) as stated in 24 CFR, Section 92.2 of the HOME regulations. *Please attach the following documentation with your request for certification:*

CHDO CHECKLIST

I. LEGAL STATUS

A. The nonprofit organization is organized under state not-for-profit/nonprofit statute, as evidenced by:

_____ Charter, OR
_____ Articles of Incorporation

***CHARTER OR ARTICLES OF INCORPORATION MUST BE FILED WITH
SECRETARY OF STATE OF NEW HAMPSHIRE***

B. No part of organization's net earnings inure to the benefit of any member, founder, contributor, or individual, as evidenced by:

_____ Charter, OR
_____ Articles of Incorporation

C. Has a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c)(3) or (4) of the Internal Revenue Code of 1986, as evidenced by:

_____ 501(c)(3) or (4) Certificate from the IRS that is dated 1986 or later.

OR

Is classified as a subordinate of a central organization nonprofit under the Internal Revenue Code, as evidenced by:

_____ A group exemption letter from the IRS, that is dated 1986 or later which specifically lists the CHDO as part of the group exemption.

NOTE: The exemption ruling from the IRS must be effective on the date of application and must continue to be effective while the organization is certified as a CHDO. Pending applications with the IRS for either 501(c)(3) or (4) status cannot be used to comply with this tax status requirement.

D. Has among its purposes the provision of decent housing that is affordable to low and moderate income people, as evidenced by a statement in the organization's:

_____ Charter, OR
_____ Articles of Incorporation, OR
_____ Resolutions, OR
_____ By-laws

II. CAPACITY

- A. Conforms to the financial accountability standards of 24 CFR Sec. 84.21, "Standards of Financial Management Systems", as evidenced by:

- _____ Affidavit in a form prescribed by UPD (see attached) signed by the Executive Director or Chief Financial Officer of the organization and notarized, OR
- _____ A certification from a Certified Public Accountant, OR
- _____ A HUD approved audit summary

***ANY SUBMISSION OTHER THAN THE APPROVED AFFIDAVIT
MUST REFERENCE 24 CFR Sec. 84.21***

NOTE: A CHDO cannot receive assistance under 24 CFR Sec. 92.302(c)(1), organizational support and (c)(2), housing education of the HOME regulations for any fiscal year in an amount that, together with other federal assistance provides more than 50 percent of the organization's total operating budget in the fiscal year.

- B. Has a demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by:

- _____ Resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds, OR
- _____ Contract(s) to train key staff of the organization. Consulting individuals or firms must have housing experience similar to the project to be assisted with HOME funds.

- C. Has a history of serving the community within which housing to be assisted with HOME funds is to be located, as evidenced by:

- _____ A statement that documents at least one year of experience in serving the community, OR
- _____ For newly created organization formed by local churches, service or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community.

***STATEMENT MUST INCLUDE GEOGRAPHICAL AREA TO BE SERVED BY CHDO**

NOTE: The CHDO or its parent organization must be able to show one year of serving the community prior to the date the participating jurisdiction provides HOME funds to the organization. If an organization or its parent company does not have one year of serving the community, but has staff or board members who have served the community for at least a year, the organization may use this individual experience to meet this requirement. In the statement, the organization must describe its history (or its parent organization's history) of serving the community by describing activities which it provided (or its parent organization provided), such as developing new housing, rehabilitating existing stock and managing housing stock, or delivering non-housing services that have had lasting benefits for the community, such as counseling, food relief, or childcare facilities. The statement must be signed by the president or other official of the organization.

- D. If the service area is also covered by another HOME Participating Jurisdiction (PJ) the organization must be certified as a CHDO in the PJ service area, as evidenced by:

- _____ PJ CHDO certification or designation

III. ORGANIZATIONAL STRUCTURE

A. Maintains at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations as evidenced by the organization's:

- _____ By-laws, OR
- _____ Charter, OR
- _____ Articles of Incorporation

AND

- _____ Affidavit (see attached) signed by the organization's Executive Director and notarized.

AND

- _____ Current roster of all Board of Directors, including names and mailing addresses. Required one-third low-income residents or elected representatives must be marked on list as such.

NOTE: Under the HOME program, for urban areas, the term "community" is defined as one or several neighborhoods, a city, county, or metropolitan area. For rural areas, "community" is defined as one or several neighborhoods, a town, village, county, or multi-county area (but not the whole state).

"Low income" is defined by the U.S. Department of Housing and Urban Development (HUD) as an annual income that does not exceed eighty percent (80%) of the median income for the area, with adjustments for family size.

B. Provides a formal process for low-income program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of affordable housing projects, as well as procedures explaining how the formal process will be implemented (public hearings, flyers, media, etc.), as evidenced by:

- _____ The organization's By-laws, OR
- _____ Resolutions, OR
- _____ A written statement of operating procedures approved by the governing body. Statement must be on original letterhead, signed by the Executive Director and evidence date of board approval.

C. A CHDO may be chartered by a State or local government, but the following restrictions apply: (1) the State or local government may not appoint more than one-third of the membership of the organization's governing body; (2) the board members appointed by the State or local government may not, in turn, appoint the remaining two-thirds of the board members; and (3) no more than one-third of the governing board members are public officials (including any public employees), as evidenced by the organization's:

- _____ By-laws, OR
- _____ Charter, OR
- _____ Articles of Incorporation

D. If the CHDO is sponsored or created by a for-profit entity, the for-profit entity may not appoint more than one-third of the membership of the CHDO's governing body, and the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members, as evidenced by the CHDO's:

- _____ By-laws, OR
- _____ Charter, OR
- _____ Articles of Incorporation

IV. RELATIONSHIP WITH FOR-PROFIT ENTITIES

A. The CHDO is not controlled, nor receives directions from individuals, or entities seeking profit from the organization, as evidenced by:

- _____ The organization's By-laws, OR
- _____ A Memorandum of Understanding (MOU)

B. A Community Housing Development Organization may be sponsored or created by a for-profit entity provided the for-profit entity's primary purpose does not include the development or management of housing, as evidenced:

- _____ In the for-profit organization's By-laws

Please return CHDO Application with attachments to:
Urban Programs Department Manager
City of Nashua
PO Box 2019, Nashua, NH 03061-2019

**If you require further information or clarification, please contact
Carrie Johnson Schena, Manager, Urban Programs Department
(603) 589-3087 or schenac@nashuanh.gov**

Community Housing Development Organization (CHDO) Application Terms

A Community Housing Development Organization (CHDO) is a private, nonprofit, community-based service organization as defined by 24 CFR 92.2 that has obtained or intends to obtain staff with the capacity to develop affordable housing for the community it serves. The following summary offers suggestions to nonprofit organizations on how the City of Nashua Urban Programs Department CHDO application should be completed. Any organization applying for City CHDO status must submit to the Urban Programs Department all the required documentation asked for in the application. Samples of some of the required documentation are included in this summary. Please note that these samples are provided to help organizations complete the CHDO application and should only be used as a reference.

I. LEGAL STATUS

- A. The organizational Charter or Articles of Incorporation must be registered with the Secretary of State of New Hampshire to do business in New Hampshire. A copy of the Secretary of State Certificate or a copy of the stamped and registered Articles of Incorporation must be submitted with the application. If a foreign corporation submits either its Charter or Articles of Incorporation, each must be registered with the Secretary of State of New Hampshire to do business in New Hampshire.
- B. The organization's Charter or Articles of Incorporation must state that as a nonprofit organization it will ensure that, "*No part of its net earnings inure to the benefit of any member, founder, contributor, or individual.*" If this statement, or something similar, is not stated on either the Charter or Articles of Incorporation, the application will be denied.
- C. No organization can apply for CHDO status unless it has a 501(c)(3) or (4) exemption ruling from the IRS. The organization's IRS exemption letter dated 1986 or later must be included with the application; this includes the final determination letter or the conditional letter that has not yet expired. Subordinates of a central organization and LLCs must include a group exemption letter from the IRS dated 1986 or later. **PLEASE NOTE:** The exemption ruling from the IRS must be effective on the date of application and must continue to be effective while the organization is certified as a CHDO. Pending applications with the IRS for either 501(c)(3) or (4) statuses cannot be used to comply with this tax status requirement.
- D. The organization's Charter, Articles of Incorporation, Board Resolution, or By-laws must state that as a nonprofit organization, it has among its purposes, "*the provision of decent housing that is affordable to low and moderate income persons.*" If this statement, or something similar, is not stated either on the Charter, Articles of Incorporation, a Board Resolution, or By-laws, the application will be denied.

II. CAPACITY

- A. The organization must conform to the financial accountability standards of 24 CFR 84.21 by completing the Affidavit of Standards for Financial Management Systems. (Sample 1). Also please remember that any submission other than the Affidavit of Standards for Financial Management Systems (a certification from a Certified Public Accountant, or a HUD approved audit summary) must reference 24 CFR 84.21. If 24 CFR 84.21 is not referenced on any submission other than the affidavit the application will be denied.
- B. An organization must demonstrate capacity for carrying out activities assisted with HOME funds. Resumes (Sample 2) of experienced key staff that have successfully completed projects *similar* to those proposed by the organization may be submitted. Key staff with limited or no experience may submit a statement describing past or future capacity training. The use of experienced consultants for the planning and development activities is also allowed, as long as there is a plan in place for the

consultant to *train* the key staff. Because the purpose of the CHDO capacity requirements is to build staff expertise, CHDOs must have their own professional staffs. Therefore, key staff cannot be made up of the following:

- Municipal, county, or state employees
- Consultants (paid or volunteered) not planning to train for the CHDO's key staff

C. An organization or its parent company must show at least one year of serving the community where it will develop affordable housing (Sample 3). The year of service does not have to be directly related to housing. If an organization or its parent company does not have one year of serving the community, but has staff or board members who have served the community for at least a year, the organization may use this individual experience to meet this requirement. The service area should also be clearly defined in the application. Please note the service area may be a contiguous multi-municipality area, but that the entire state of New Hampshire *cannot* be considered the CHDO's service area.

III. Organizational Structure

A. An organization must state in either its By-laws, Charter, or Articles of Incorporation that, "*at least one-third of board of director's membership will be made up of residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations.*" If this requirement is not stated on either of the above mentioned documents, the CHDO application will be denied. A notarized Affidavit of Board Representation and Board of Director's roster, with member's mailing addresses and clear indication as to which members are low-income residents or representatives, must also be submitted (Samples 4 &5).

B. Provides a formal process for low-income, program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of affordable housing projects. The organization's formal process must be stated in its By-laws, Board Resolution, or written statement of operating procedures approved by the governing body (Sample 6). The organization must also state how it will implement the formal process (i.e. public hearings, flyers, media, etc.). This requirement is separate from the requirement that one-third of the Board members represent the low-income community.

C. State or local governments creating a CHDO cannot have more than one-third public sector representation (elected officials, appointed public officials, public employees, or person appointed by a public official) on the governing board. This limitation is intended to ensure that separation exists between PJs and CHDOs, and that CHDOs are indeed community-based and community-controlled organizations.

D. If the organization is sponsored or created by a for-profit entity, its By-laws, Charter, or Articles of Incorporation must state that, "*the for-profit entity cannot appoint more than one-third of the membership of the CHDO's governing board, and the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members.*" The application will be denied if this statement, or something similar, is not stated on the documents mentioned above.

IV. RELATIONSHIP WITH FOR-PROFIT ENTITIES

- A. A CHDO cannot be controlled by, nor be under the direction of, for-profit entities or individuals seeking profit from the organization.
- B. The primary function of the for-profit sponsor is not the development or management of housing (That is, a builder, developer or real estate management firm may not spin off a CHDO).

If you require further information, please contact Carrie Johnson Schena, Manager, Urban Programs Department City of Nashua 603-589-3087 or schenac@nashuanh.gov